



The Downtown Action Agenda provides specific recommendations and incentives for implementation.

3 Implementing the Downtown Action Agenda

This Downtown Action Agenda has presented a land use strategy and a comprehensive development program for the next several years. To implement the Downtown Action Agenda, an aggressive timetable has been developed. By moving quickly, public actions can leverage private investment to spur long-term growth in Downtown DC. Pursued in concert, public and private initiatives called out in this Action Agenda will:

- Encourage additional preferred uses – arts, housing and retail—in the downtown;
- Increase home ownership opportunities, promote neighborhood stability, strengthen community institutions, and improve the quality of life;
- Create job opportunities for District residents;
- Sustain and strengthen the District’s tax base;
- Identify key short-term actions and provide a long-term planning context which reinforce the vision and goals for downtown.

The end result will be a mixed use downtown with a balance of diverse activities, which generates the greatest energy and highest value for the District government, for District residents, and for visitors to the Nation’s Capital.

To achieve these aims, a broad range of activities needs to be pursued by the public sector and by the private sector within the next 12 months. Each of these actions reinforces the others; together, they form a comprehensive downtown development strategy that will culminate twenty years of effort to create-- “A Living Downtown.”

First Actions and Responsibilities

Key Recommendation	Timeframe	Responsible Agency
Organize \$3-5 million Annual Program for Streetscape Improvements	Ongoing	DC Business Improvement District
Allocate Funds for the Downtown Circulator	12 months	Department of Public Works
Implement the BID’s Public Space Management Program	12 months	DC Business Improvement District
Institute a Downtown Development Corporation	3 months	Deputy Mayor for Planning and Economic Development
Dedicate Funds for Downtown Job Training and Placement Programs	12 months	Deputy Mayor for Planning and Economic Development
Establish and Capitalize Neighborhood Housing Fund	12 months	Deputy Mayor for Planning and Economic Development
Increase Flexibility in Zoning Regulations to Support Housing	3 months	Office of Planning
Adopt Tax Abatement for Housing	6 months	Deputy Mayor for Planning and Economic Development
Expand Enterprise Zone for Housing	6 months	Deputy Mayor for Planning and Economic Development
Determine Development Program to Maximize Preferred Uses on Existing Convention Center Site	4 months	Office of Planning; Mayor’s Convention Center Redevelopment Task Force
Develop an Area-Wide Tax Increment Financing Program	12 months	Deputy Mayor for Planning and Economic Development
Determine Preferred Uses on Public Sites	9 months	Office of Planning
Initiate Residential Development at Mount Vernon Square	6 months	DHCD/RLA/Office of Planning
Plan for Extension of F Street Across I-395 to Develop Air Rights	12 months	Office of Planning/DPW
Establish Hospitality District at Mount Vernon Square	6 months	Downtown Development Corporation
Evaluate MLK Library for Cultural Center and/or New Library	12 months	Library/Office of Planning
Determine Site for Headquarters Hotel	4 months	Office of Planning
Designate New Civic Space as Part of Existing Convention Center Redevelopment	4 months	Office of Planning

Strategy One: Strengthen and Solidify Downtown Leadership

Leadership to implement the initiatives called out in this Downtown Action Agenda comes from several sources:

Strengthen the capacity and coordination of existing organizations:

- District Government: Many of the key recommendations identified in this report require action by the District government. Regulatory changes, administrative changes, planning initiatives, and capital improvement projects create a long agenda for the city to pursue. Many of these initiatives fall broadly under the scope of the agencies headed up by the Deputy Mayor of Economic Development.
- Business Improvement District: This Action Agenda suggests that the responsibility of the Downtown DC Business Improvement District be expanded in ways that are consistent with its original charter. The Downtown DC BID is the logical entity to take the lead to establish the Downtown Circulator, to promote public space improvements, to coordinate efforts to improve short-term parking and to pursue other management improvements to help Downtown function more effectively.
- Federal Government: Through its many institutions and agencies, the Federal government is an important force in shaping the direction of the downtown. The General Services Administration, as property developer and manager, plays a primary role. The Federal government can be a contributor to this Action Agenda through its decisions about government office space, its willingness to support transportation improvements including the Downtown Circulator, and by giving consideration to extending enterprise zone tax exemptions for housing purposes in Washington.

Key Action: A New Public Private Organization for the New Millenium -The Downtown Development Corporation:

In 1997, the Downtown DC Business Improvement District was established to create a clean and safe downtown environment. With this initial goal now substantially achieved, the next evolutionary step is to create a new organization to facilitate and market opportunities for development-particularly preferred use development-in Downtown.

Building on cooperative models, the new organization would include representatives from the city government, the federal government, private business and development interests, as well as civic interests who would work together to carry out the appropriate portions of the Downtown Action Agenda which call for development coordination and facilitation.

A public/private Downtown Development Corporation, organized as a 501(c)(3) not-for-profit entity, could pursue the development of housing and encourage retail development in and near the downtown. A Downtown Development Corporation would work collaboratively with the existing Cultural Development Corporation to support arts development, and with the DC BID to support the existing safety, maintenance and marketing initiatives.



Construction activity for development and public infrastructure requires strong leadership and commitment of resources.

Strategy Two: Invest in Capital Projects

Capital investments in public improvements and infrastructure will be necessary to attain the vision of downtown set forth in this Action Agenda. These physical improvements are mutually reinforcing. In combination, they will dramatically improve the quality of the downtown environment and will set the stage for downtown to achieve its full economic potential.

- **Downtown Circulator**—The Downtown Circulator is intended to provide downtown workers, visitors and residents with an inexpensive and efficient supplement to Metrorail and Metrobus. The Circulator will encourage visitors to travel downtown from the National Mall and Union Station, and it will provide additional transportation options to downtown workers.
- **Streetscape Improvements**—The sidewalks and public spaces in downtown DC can be significantly improved with new investments in lighting, street furniture, landscaping, public art, and other pedestrian amenities.
- **Downtown Signage**—Implementing a comprehensive “wayfinding system” will make downtown more “pedestrian friendly” for the 8 million people who visit each year. A District-wide system will improve vehicular and pedestrian movements in downtown and throughout the city.
- **F Street Extension**—Extending F Street across the Center Leg Freeway (I-395) would connect downtown with areas to the east. Office uses could occupy the air rights between D Street and G Street, while more active uses could be supported at street level.
- **New Cultural Center/Library**—Downtown public libraries serve as anchors in many cities across the country. The publicly-owned Martin Luther King Jr. Main Library is extremely well-located and has an excellent redevelopment potential as a multi-use, library/cultural facility.
- **New Theaters**—The potential exists to add 1,600 new theater seats at key sites in downtown DC, including Square 457; the 900 block of F Street; the 500 block of 10th Street. The addition of new arts venues is necessary to create a true cultural arts district in Downtown DC.

- **Parking Structures**—New municipal parking garages at Judiciary Square, the existing convention center site, and near the Gallery Place/Chinatown area may be necessary to implement the “park once” program for visitors and downtown commuters.
- **Artist Live-Work Space**—Renovating older, city-owned properties, such as the Mather Building, Webster School and Franklin School to provide live/work apartments and other working spaces would ensure a continuing arts presence in downtown DC.



Public improvements add value to Downtown and adjacent uses.

Strategy Three: Develop Incentive Programs for Preferred Uses

Downtown's success as a commercial office district creates challenges for other, less profitable downtown uses. Even today, many cultural uses and independent retailers are being priced out of downtown. In the past, zoning has been the only tool available to encourage a wide range of residential, cultural, and retail uses. The Downtown Action Agenda suggests that new, targeted financial incentives also need to be developed to level the economic playing field, and encourage the development of new retail, residential, and cultural uses in downtown DC.

Retail Incentives: Retail uses should be clustered by market segment and type: Entertainment retail at Gallery Place, comparison retail in the traditional Downtown core, and visitor-serving retail at Mount Vernon Square. Particular attention should be given to the F and 7th Street corridors. Possible incentives for retail include:

- Creation of an area-wide Tax Increment Financing Program;
- Increased use bonus density and Transferable Development Rights (TDRs);
- Use of publicly owned sites to write down land costs and leverage retail development;
- Sales tax holidays;
- Improvements to the downtown streetscape;
- Improved management of Downtown parking to support retail.

Housing Incentives: New housing development should be concentrated to establish and strengthen residential neighborhoods at Penn Quarter, Shaw, and Mount Vernon Triangle. Receiving sites for combined residential lots and/or TDRs should be located within or adjacent to the designated housing areas. Residential development will require special efforts to achieve, which may include:

- Revised timing requirements for Combined Lot Development;
- Increased density within existing height limits;
- Application of DDD Zoning requirements for housing on publicly owned sites;
- Site assembly assistance through condemnation powers;
- Use of area-wide TIF program and Tax Exempt Financing to create affordable housing;
- Freezes on tax assessments for a period of years on new residential projects;
- Revision of EZ Bond Program to include rental housing.

Gallery Incentives: Sites appropriate for gallery development include Le Droit Row, Square 454, the Old Hecht Company complex, and Square 457. In order to develop a gallery cluster and arts destination at these sites, a program of incentives to support arts galleries and other creative ventures is crucial. Possible programs to subsidize small-scale galleries include:

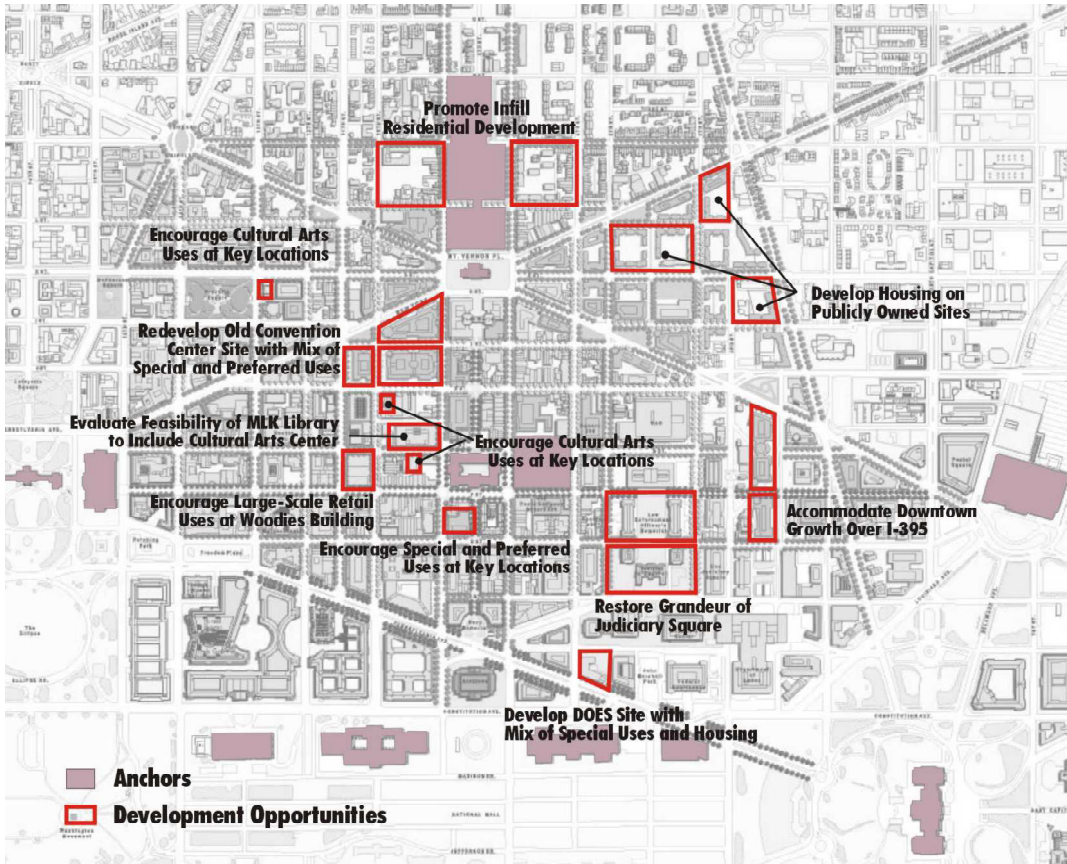
- Revisions to the existing transferable development rights policy;
- Increased use incentive zoning;
- Development of an area-wide tax-increment financing district;
- Property tax abatement on arts uses;
- Establish a 1% DC capital budget set-aside for the arts;
- Lower-rate mortgages and low-interest loans for arts uses
- Increased utilization of grants from various sources, including convention and tourism bureau annual grants, federal cultural funding organizations, major gifts, annual giving, challenge grants from private sponsors, corporations, and the Sports and Entertainment Commission;
- Empowering the Cultural Development Corporation to build and manage arts facilities;
- Increased promotion of the arts district through marketing and programs.



Incentives for preferred uses capitalize on the market strength for commercial development.

Strategy Four: Capitalize on Key Opportunity Sites

Over the next 18 months, a number of decisions will be made regarding the disposition of key publicly and privately owned sites. The development of these parcels presents the final opportunity to establish downtown as a high-quality, mixed use destination.



Publicly Owned Sites	Recommended Uses	Strategy Achieved
Old Convention Center (Squares 373, 374, 344)	Mix of Special and Preferred Uses	Supports Downtown as Destination, Housing, and Civic Space
DOES Site (Square 491)	Special Uses and Residential	Expands Penn Quarter
Mount Vernon Triangle	Residential with Retail	Develops Housing on Public Sites
Square 562	Residential	Initiates Residential in Mount Vernon Triangle
Square 516W	Residential	Initiates Residential in Mount Vernon Triangle
Mather Building	Residential	Expands Downtown Housing and Arts
I-395 Air Rights	Commercial with Retail	Directs Downtown Growth
Privately Owned Sites	Recommended Uses	Strategy Achieved
Woodies Building	Large-scale Retail/Entertainment	Strengthens F Street and Traditional Downtown Core
Evans Property (Square 406)	Arts, Retail	Expands Penn Quarter/Strengthens E St Theater Row

Existing Convention Center Site: This key site offers a special opportunity to complete the vision of a living downtown. The Mayor has established a task force of business and community leaders to create a development program to complement and strengthen surrounding downtown areas. This site has the potential to:

- Create a great civic space
- Maximize downtown housing
- Create a destination to enjoy and celebrate Downtown
- Complement and complete the retail/entertainment focus at Gallery Place
- Restore the city grid and view corridors
- Create a gateway for the New Convention Center

With strong leadership, new investment in capital projects, and new incentive programs, the development of key sites will reknit downtown DC into a vital, living district, and lay the foundation for growth and development for years to come.

Strategy Five: Utilize Diverse Funding Sources

To successfully implement the Downtown Action Agenda, the initiatives must move ahead simultaneously—even those that can’t pay for themselves—because each reinforces the others. Existing and potential revenue streams must be pursued proactively to support and subsidize these initiatives. These sources include:

Public Sources:

- Transportation and Commerce Departments; Metro
- District’s Economic Development Finance Corporation and localbanks
- Social service and employment programs of the Justice, Housing and Urban Development, Commerce, Health and Human Services (HHS), and Labor departments
- Federal programmatic and financial “enterprise community” assistance and competitive and discretionary grants.



With proper funding initiatives, publicly owned sites (like the DOES building above) can be maximized.

- Department of Commerce (Economic Development Administration) for construction of public works and capital financing of facilities that promote creation and retention of jobs.
- White House Conference on Tourism/Department of Health and Human Services for build-out, lease, sponsorship of Tourism Center, and human resources, minority/female (resident) training, employment and entrepreneurship program funding

Private Contributions:

- Equity (hotel/ restaurant industry);
- % TIF bonds;
- Non-profit payments-in-lieu-of-taxes (PILOT) grants